

Security & Prosperity Partnership

Meeting with Hon. Carlos Gutierrez U.S. Secretary of Commerce

On March 15, 2006 the Council of the Americas and the U.S. Chamber of Commerce convened a private roundtable discussion with Secretary Carlos Gutierrez, Canadian Deputy Minister of Industry Suzanne Hurtubise, and Dr. Alberto Ortega from the Mexican Presidency. The purpose of the meeting was to bring representatives from the private sector together with representatives from the three North American governments to discuss the Security and Prosperity Partnership of North America (SPP) in advance of the leaders' meeting between Presidents Bush and Fox and Prime Minister Harper in Cancun, Mexico on March 30-31 of this year.

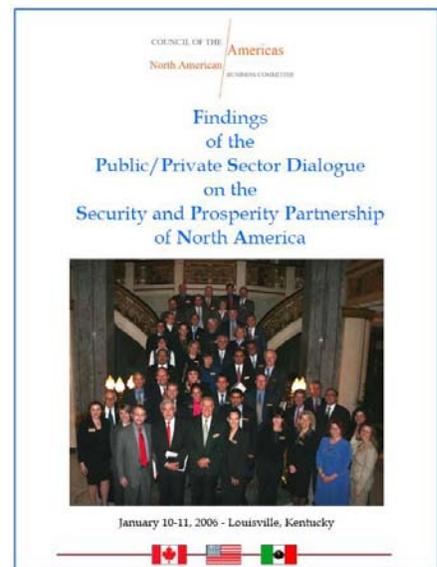


Eric Farnsworth and Susan Segal Welcome Commerce Secretary Carlos Gutierrez



Lt. Gen. Christman of the U.S. Chamber of Commerce and Secretary Gutierrez

Council's SPP Report



Mike Haverty of Kansas City Southern, Ambassador Jim Jones of Manatt Jones, and Grey Warner of Merck & Co.

Security and Prosperity Partnership of North America (SPP)

Meeting with U.S. Secretary of Commerce Carlos Gutierrez

March 15, 2006

Council of the Americas
1615 L Street, NW, Washington, DC

Background

On March 23, 2005, heads of state Vicente Fox, George Bush, and Paul Martin met in Waco, Texas for a summit of North American leaders. The principal outcome of this meeting was the launch of the SPP, a framework under which to advance various initiatives for regional cooperation toward a safer, more prosperous North America. The SPP, as developed in a cooperative effort by the three governments and as detailed in a June 23, 2005 Report to Leaders, addresses numerous subjects of mutual interest and concern among the North American nations in areas as diverse as a movement of goods, traveler security, energy, environment, and health.

On January 10 and 11, 2006, the Council of the Americas convened a public/private sector dialogue on the SPP in Louisville, Kentucky. Approximately 50 government officials and business leaders from Canada, Mexico and the United States came together for the discussion made possible by UPS. The ensuing conversation was intended to give all the participants a better understanding of the priorities of various stakeholders. As a means to facilitate an ongoing conversation with a broader audience, a conference report was compiled and published (see report as an appendix to this summary).

The March 15 meeting hosted by the Council of the Americas and the U.S. Chamber of Commerce in Washington continued the discussion by again bringing together senior business leaders to give specific ideas and recommendations to government officials. Specifically, Secretary Gutierrez and the representatives from Canada and Mexico were soliciting the views of the North American business community on priorities for the SPP, as well as their views on the possible creation of a North American Competitiveness Council. They were also interested in recommendations from the business leaders on how the SPP can help their companies be more competitive in the global market, how SPP can reduce the cost of doing business for their company, and any specific recommendations to cut red tape or eliminate unnecessary barriers to trade in North America.

Below are some of the key points raised during the discussion:

Introductory remarks by Secretary Gutierrez

- The SPP is an important initiative that discusses common interests of the three NAFTA partners.
- NAFTA has been successful – despite popular misconceptions and misinformation. We need to do more to publicize the commercial benefits.
- After 12 years in operation, the NAFTA countries have created the most dynamic economic region in the world with sustained GDP growth in all three countries.
- The SPP seeks to build on NAFTA and boost the global competitiveness of North America.
- We also want to create institutions in North America to ensure the sustainability of regional development and integration
- In this case, a North American Competitiveness Council would be an important institution under the SPP.

Introductory remarks by Suzanne Hurtubise

- The new Canadian government supports the SPP.
- The Deputy Minister noted that she was eager to hear from the North American business community and looks forward to reenergizing the process.

Introductory remarks by Alberto Ortega

- Dr. Ortega expressed his support on behalf of the government of Mexico for the SPP.
- More can be done and he suggested that we use the experience of the successful Partnership for Prosperity (P4P) between Mexico and the United States as a model that could be applied to three all countries of North America.
- Perhaps one of the greatest achievements of the P4P is the Quadripartite Committee for North American Competitiveness, the first formalized relationship between the U.S. and Mexican governments and the private sectors of both countries. This is a model that could be considered for the SPP.

Key points of the Public/Private Sector Dialogue with Secretary Gutierrez

- There was unanimous support among the private sector representatives present for the creation and institutionalization of a North American Competitiveness Council (NACC).
- The NACC would bring representatives from the three North American governments together with the private sector to address issues that impede further regional integration. It was suggested by Secretary Gutierrez that the NACC should meet on a regular basis.
- To make the SPP process more manageable, there is a need to prioritize the established initiatives (300) to a smaller number in order to focus attention on the most pressing needs first.

- The private sector must take it upon itself to drive the process and encourage the region's governments to enact necessary initiatives.
- The post NAFTA/SPP discussion should continue among the three countries and the private sector regardless of changes in governments.

Possible areas for priority attention include:

- In a coordinated fashion, the three North American governments must publicize more effectively the benefits that NAFTA has brought their populations.
- Security and customs regulations must be harmonized at ports of entry and departure in all three countries to minimize redundancy and loss in time and efficiency.
- Standardization in nutritional standards and labeling for packaged products coming from the three countries would greatly expedite transport of goods across borders and greatly decrease costs associated with printing, packaging, and storing products.
- To further integrate our economies we need to extend the benefits of trade to industrial goods, consumer products and commodities to financial services.
- North American governments must establish educational programs to promote life sciences, mathematics, and engineering curricula to build the capacity of the region in order to compete more efficiently with the Asian economies.
- Work must continue to formalize a transnational technical labor force that could work in any North American country on a temporary basis.
- Regional governments must work together to remove barriers for regional energy resource development and integration. If we can address our energy concerns as one we can better manage our interdependency.
- We must work together to develop an Incident Recovery plan, should a disaster or terrorist attack occur.
- North American countries should consider expanding the reach of NAFTA to include Central American countries as this will be an important means to increase market efficiencies to compete with Asian countries.
- In 2008, travel between North American countries will become more complicated by requiring those crossing our borders to have a valid passport. The three governments must work to alleviate bottle-necks that will increase transportation time and thus decrease business efficiencies. From a tourism perspective, cross-border visitations and associated receipts must not only be sustained, but enhanced.

Supporting arguments from public/private discussion

- Governments must streamline the security aspect of the SPP to reduce bottlenecks in the border and consider using new and existing infrastructure to expedite border crossing.
- The three countries need to harmonize safety and fuel efficiency standards and stem the flow of illegal transportation of used vehicles from the United States and Canada to be sold in Mexico.
- The three countries should establish academic centers among the three countries to promote educational curricula in the life sciences, engineering and math programs and teach citizens the concept of competitiveness.

Next Steps

After the leaders' meeting in Cancun, the Council of the Americas and the U.S. Chamber of Commerce will work with the U.S. Department of Commerce and other interested parties to formalize a North American Competitiveness Council (NACC) by facilitating the interaction between representatives from the three governments and the private sector.



Meeting Participants



Nelson Cunningham of Kissinger McLarty and
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Susan Segal and Deputy Minister Hurlbut of Canada



Dr. Alberto Ortega of Mexico



Meeting Participants

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